

Making the railway system
work better for society.

Final accounts of the European Union Agency for Railways Financial Year 2019

Financial Statements Reports on the Implementation of the Budget

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1. Certificate

I acknowledge my responsibility for the preparation and presentation of the annual accounts of ERA in accordance with Article 102 of the Framework Financial Regulation ('FFR') and I hereby certify that the annual accounts of ERA for the year 2019 have been prepared in accordance with Title IX of the FFR and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions and union bodies.

I have obtained from the Authorising Officer, who certified its reliability, all the information necessary for the production of the accounts that show ERA's assets and liabilities and the budgetary implementation. Based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of ERA.



Stefan MEERT

Accounting Officer of ERA

2. Presentation of the organisation

Introduction

The European Railway Agency was established by Regulation (EC) N° 881/2004 of the European Parliament and the Council of 29 April 2004 establishing a European Railway Agency amended by Regulation (EC) No 1335/2008 of the European Parliament and of the Council of 16 December 2008. Following the adoption of the Regulation (EU) 2016/796 of the European Parliament and of the Council on 11 May 2016 the founding regulation (EC) n° 881/2004 was repealed and an European Union Agency for Railways (hereafter referred to as “the Agency” or ERA) was established.

The accounts of ERA are kept in accordance with Financial Regulation of ERA adopted by its Administrative Board on 23 September 2019 and its Implementing Rules.

In accordance with Article 245 of Council Decision No. 1046/2018 and Article 97 of the Financial Regulation of ERA, the following final accounts together with the reports on the implementation of the budget of ERA have been drawn up.

Legal status and principal office

The Agency is an EU body as referred to in article 70 of Regulation (EU, Euratom) No 1048/2018 of the European Parliament and of the Council. It has legal personality. The Agency is represented and managed by the Executive Director, Mr. Josef Doppelbauer, appointed by the Management Board.

The Agency’s headquarters are located in Valenciennes, France, 120 Rue Marc Lefrancq and Lille.

The Protocol on the Privileges and Immunities of the European Union applies to the Agency.

Governing structure

ERA’s administrative and management structure consists of an Management Board, an Executive Board, the Executive Director and one or more Boards of Appeal.

The Management Board is composed of the Member State representatives, one from each Member State, 2 Commission representatives and 6 professionals from the sectors most concerned having the role to ensure that the Agency carries out its mission and performs the tasks assigned to it under the conditions laid down in the Regulation.

It is chaired by the Chair while the Executive Director is entrusted with the management of the Agency and attends the Board meetings.

Further information sources

More information on the Agency’s administrative and operational activities, organisational chart, applicable legislation and its Management Board is available on the Agency’s website www.era.europa.eu and in its annual report.

3. Part I – Financial Statements**3.1 Balance sheet**

| | <i>Note</i> | <i>31/12/2019</i> | <i>31/12/2018</i> |
|--|-------------|-------------------|-------------------|
| A. NON CURRENT ASSETS | | | |
| Intangible assets | 3.5.2.1 | 3 793 125 | 3 598 262 |
| Property, plant and equipment | 3.5.2.2 | 835 843 | 1 369 459 |
| Land and buildings | | 1 352 | 1 912 |
| Plant and equipment | | 5 894 | 9 843 |
| Computer hardware | | 683 447 | 1 203 232 |
| Furniture and vehicles | | 76 211 | 97 827 |
| Other fixtures and fittings | | 68 939 | 56 645 |
| Non-current receivables | 3.5.2.3 | 31 898 | 31 898 |
| TOTAL NON-CURRENT ASSETS | | 4 660 866 | 4 999 619 |
| B. CURRENT ASSETS | | | |
| Pre-financing | 3.5.2.4 | 18 824 | 492 422 |
| Pre-financing with consolidated entities | | 18 824 | 492 422 |
| Exchange receivables and recoverables | 3.5.2.5 | 826 478 | 232 794 |
| Current receivables | | 148 274 | 22 000 |
| Sundry receivables | | 38 370 | 43 369 |
| Current receivables with consolidated entities | | 4 675 | 0 |
| Other receivables | | 0 | 0 |
| Accrued income with consolidated entities | | 12 456 | 14 963 |
| Accrued fee income | | 358 059 | 0 |
| Deferred charges | | 264 644 | 152 462 |
| Non - exchange receivables and recoverables | 3.5.2.6 | 110 041 | 254 900 |
| Current receivables Member States | | 110 041 | 254 900 |
| Other receivables | | 0 | 0 |
| Cash and cash equivalents | 3.5.2.7 | 3 246 645 | 3 294 240 |
| TOTAL CURRENT ASSETS | | 4 201 987 | 4 274 355 |
| TOTAL ASSETS | | 8 862 854 | 9 273 974 |

| | <i>Note</i> | <i>31/12/2019</i> | <i>31/12/2018</i> |
|--|----------------|-------------------|-------------------|
| A. NET ASSETS | 3.5.2.8 | 6 386 044 | 7 524 503 |
| Accumulated surplus/deficit | | 7 524 503 | 7 164 966 |
| Economic result of the year-profit+/loss- | | -1 138 459 | 359 537 |
| B. NON CURRENT LIABILITIES | | 0 | 0 |
| Pension and other employee benefits | | 0 | 0 |
| Provisions for risks and liabilities | | 0 | 0 |
| TOTAL NON-CURRENT LIABILITIES (A+B) | | 6 386 044 | 7 524 503 |
| C. CURRENT LIABILITIES | | 2 476 810 | 1 749 471 |
| Provisions for risks and liabilities | 3.5.2.9 | 0 | 0 |
| Accounts payable | 3.5.2.10 | 801 326 | 433 029 |
| Current payables | | 8 929 | 22 026 |
| Sundry payables | | 2 071 | 1 456 |
| Accounts payable with consolidated EC entities | | 790 326 | 409 547 |
| <i>Prefinancing received from consolidated EC entities</i> | | 790 326 | 409 547 |
| <i>Other accounts payable against consolidated EC entities</i> | | 0 | 0 |
| Accrued charges and deferred income | 3.5.2.11 | 1 675 484 | 1 316 442 |
| Accrued charges | | 1 675 484 | 1 115 065 |
| Deferred income | | 0 | 0 |
| Other passive accruals & deferrals | | 0 | 0 |
| Deferrals and accruals with consolidated EC entities | | 0 | 201 377 |
| TOTAL CURRENT LIABILITIES | | 2 476 810 | 1 749 471 |
| TOTAL LIABILITIES | | 8 862 854 | 9 273 974 |

3.2 Statement of Financial Performance

| <i>STATEMENT OF FINANCIAL PERFORMANCE</i> | <i>Note</i> | <i>31/12/2019</i> | <i>31/12/2018</i> |
|--|----------------|-------------------|-------------------|
| Subsidy received | 3.5.3.1 | 28 087 492 | 29 367 063 |
| Title 1&2 | | 22 302 194 | 21 540 000 |
| Title 3 | | 5 367 153 | 7 253 243 |
| Part of Phare Funds subsidy used in current year | | 104 598 | 89 794 |
| Part of EUMEDRAIL pre-financing used in current year | | 373 033 | 603 905 |
| To be reimbursed (Budget outturn) | | -59 486 | -119 879 |
| Revenue from adjustment/provisions | | 0 | 0 |
| NON-EXCHANGE REVENUES | 3.5.3.1 | 28 087 492 | 29 367 063 |
| Fee income | | 838 739 | 0 |
| Fixed Assets related income | | 0 | -321 |
| Exchange rate differences gains | | 220 | 837 |
| Bank interest | | 10 | 2 |
| Income from other exchange operations (3rd parties) | | 118 949 | 3 976 |
| Income from consolidated EU entities | | 42 953 | 50 230 |
| EXCHANGE REVENUES | 3.5.3.1 | 1 000 872 | 54 725 |
| TOTAL REVENUES | | 29 088 363 | 29 421 788 |
| Operational expenses | 3.5.3.3 | 4 529 981 | 5 245 542 |
| Staff and Pension costs | 3.5.3.2 | 20 003 919 | 18 152 968 |
| Finance costs | | 983 | 30 |
| Finance costs | | 561 | 0 |
| Other financial expenses | | 422 | 30 |
| Other expenses | | 5 691 939 | 5 663 709 |
| Property, plant and equipment related expenses | 3.5.3.2 | 2 519 672 | 2 429 345 |
| Other Expenses | 3.5.3.2 | 3 170 937 | 3 230 747 |
| Exchange rate differences losses | | 1 330 | 3 617 |
| TOTAL EXPENSES | | 30 226 822 | 29 062 250 |
| SURPLUS (DEFICIT) FROM ORDINARY ACTIVITIES | | -1 138 459 | 359 537 |
| ECONOMIC RESULT OF THE YEAR | | -1 138 459 | 359 537 |

3.3 Statement of changes in net assets

| <i>Capital</i> | <i>Reserves</i> | | <i>Accumulated Surplus / Deficit</i> | <i>Economic result of the year</i> | <i>Capital (total)</i> |
|--|-----------------------------------|---------------------------|--|--|----------------------------|
| | <i>Fair value reserve</i> | <i>Other reserves</i> | | | |
| Balance as of 31 December 2018 | 0 | 0 | 7 164 966 | 359 537 | 7 524 503 |
| Changes in accounting policies | 0 | 0 | 0 | 0 | 0 |
| Balance as of 1 January 2019 (if restated) | 0 | 0 | 7 164 966 | 359 537 | 7 524 503 |
| Allocation of the Economic Result of Previous Year | 0 | 0 | 359 537 | -359 537 | 0 |
| Economic result of the year | 0 | 0 | 0 | -1 138 459 | -1 138 459 |
| Balance as of 31 December 2019 | 0 | 0 | 7 524 503 | -1 138 459 | 6 386 044 |

3.4 Cash flow statement

| | 2019 | 2018 |
|--|-------------------|-------------------|
| Cash Flows from ordinary activities | | |
| Economic result of the year | -1 138 459 | 359 537 |
| Operating activities | | |
| Amortization (intangible fixed assets) + | 573 030 | 223 687 |
| Depreciation (tangible fixed assets) + | 750 880 | 857 745 |
| Increase/(decrease) in Provisions for risks and liabilities | 0 | 0 |
| Increase/(decrease) in Value reduction for doubtful debts | 0 | 0 |
| (Increase)/decrease in Stock | 0 | 0 |
| (Increase)/decrease in Long term Pre-financing | 0 | 0 |
| (Increase)/decrease in Short term Pre-financing | 473 598 | 95 489 |
| (Increase)/decrease in Long term Receivables | 0 | 0 |
| (Increase)/decrease in Short term Receivables | -593 684 | -167 125 |
| (Increase)/decrease in Receivables related to consolidated EC entities | 144 859 | 116 414 |
| Increase/(decrease) in Other Long term liabilities | 0 | 0 |
| Increase/(decrease) in Accounts payable | 346 560 | 20 844 |
| Increase/(decrease) in Liabilities related to consolidated EC entities | 380 779 | -726 560 |
| (Gains)/losses on sale of Property, plant and equipment | 0 | 0 |
| Extraordinary items | 0 | 0 |
| Net cash Flow from operating activities | 937 563 | 780 032 |
| Cash Flows from investing activities | | |
| Purchase of tangible and intangible fixed assets (-) | -985 158 | -2 048 633 |
| Proceeds from tangible and intangible fixed assets (+) | 0 | 321 |
| Net cash flow from investing activities | -985 158 | -2 048 312 |
| Net increase/(decrease) in cash and cash equivalents | -47 595 | -1 268 281 |
| Cash and cash equivalents at the beginning of the period | 3 294 240 | 4 562 520 |
| Cash and cash equivalents at the end of the period | 3 246 645 | 3 294 240 |

3.5 Notes to the financial statements

3.5.1 Accounting policies

3.5.1.1 General

In accordance with Article 245 of Council Decision No. 1046/2018 and Article 97 of the Financial Regulation of ERA, the following final accounts together with the reports on the implementation of the budget of ERA have been drawn up.

The accounts are drawn up in accordance with the accounting rules and methods adopted by the Accounting Officer of the Commission as stated in articles 80 and 241 of the general Financial Regulation. These financial statements are prepared on the basis of the EU Accounting Rules as adopted by the Commission's Accounting Officer which adapt the International Public Sector Accounting Standards (and in some cases the International Financial Reporting Standards) to the specific environment of the EU, while the reports on implementation of the budget continue to be primarily based on movements of cash.

The objective of the financial statements is to provide information about the financial position, performance and cash-flows of an entity that is useful to a wide range of users.

The accounting system of the European Union Agency for Railways comprises general accounts and budget accounts. These accounts are kept in euro on the basis of the calendar year. The budget accounts give a detailed picture of the implementation of the budget. They are based on the modified cash accounting principle. The general accounts allow for the preparation of the financial statements as they show all charges and income for the financial year based on accrual accounting rules and are designed to establish the financial position in the form of a balance sheet as at 31 December.

The accounting principles to be applied in drawing up the financial statements are:

- › Going concern basis
- › Prudence
- › Consistent accounting methods
- › Comparability of information
- › Materiality
- › No netting
- › Reality over appearance
- › Accrual-based accounting

The financial statements are presented in euros, the euro being the functional and reporting currency. Foreign currency transactions are translated into euros using the exchange rate prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translations at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of financial performance.

The chart of accounts used by ERA follows the structure of the chart of accounts of the European Commission (PCUE).

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts presented and disclosed in the Financial Statements of ERA. Significant estimates and assumptions in these financial statements require judgment and are used for, but not limited to, accrued income and charges, provisions, contingent assets and liabilities. Actual results reported in future periods may be different from these estimates. Changes in estimates are reflected in the period in which they become known.

3.5.1.2 Balance sheet

› Intangible assets

Acquired computer software licences are stated at cost less accumulated amortisation and impairment losses. The assets are amortised on a straight-line basis over their estimated useful life, being 4 years.

With the entry into force of the accounting rule n° 6 on internally developed intangible assets costs directly linked to an internally developed intangible asset, providing they meet the necessary criteria must be capitalised as assets under construction. Once the project goes live, the resulting asset will be amortised over its useful life. In addition the amount of research expenses incurred on IT projects and development costs not capitalised (e.g. for small projects below threshold) must be disclosed in the financial statements. It must be noted that the threshold for capitalizing these costs has been set at 150 KEUR for ERA.

› Property, plant and equipment

In compliance with the accounting rules, fixed assets are considered as such when their nominal value is equal or above 420 € and their useful life is greater than 1 year. The assets are reflected in the balance sheet at year end for their net value.

The assets registration system, integrated in the ERA's accounting systems, is identical to the one used by the European Commission (ABAC Assets).

All property, plant and equipment are stated at historical costs less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to the Agency and its cost can be measured reliably. Repairs and maintenance are charged to the economic outturn account during the financial period in which they are incurred.

Assets under construction are not depreciated as these assets are not yet available for use. Depreciation on other assets is calculated using the straight-line method and prorata temporis from the month of first use or delivery of the asset in ERA's premises to allocate their cost to their residual values over their estimated useful lives, as follows:

Depreciation rates

| <i>Type of asset</i> | <i>%</i> |
|--|----------|
| Intangible assets | |
| Software | 20-25% |
| Property, plant and equipment | |
| Buildings | 10% |
| Furniture and vehicles | |
| Furniture | 10% |
| Electrical office equipment, printing and mailing equipment | 25% |
| Computer hardware | |
| Computers, servers, accessories, data transfer equipment, printers, screens... | 25% |
| Copying equipment, digitizing and scanning equipment | 25% |
| Other fixtures and fittings | |
| Telecommunications equipment | 25% |
| Audiovisual equipment | 25% |
| Equipment for surveillance and security service | 12,50% |

Gains or losses on disposals are determined by comparing proceeds less selling expenses with the carrying amount of the disposed asset and are included in the statement of financial performance.

› **Receivables**

Receivables are carried at original amount less write-down for impairment. A write-down for impairment of receivables is established when there is objective evidence that ERA will not be able to collect all amounts due according to the original terms of receivables. The amount of the write-down is the difference between the asset's carrying amount and the recoverable amount. The amount of the writedown is recognised in the statement of financial performance.

› **Cash and cash equivalents**

Cash and cash equivalents are financial instruments and classified as available for sale financial assets. They include cash at hand and deposits held at call with banks.

› **Provisions**

Provisions are recognized when the European Union Agency for Railways has a present legal or constructive obligation towards third parties as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating losses. The amount of the provision is the best estimate of the expenditures expected to be required to settle the present obligation at the reporting date.

› **Payables**

Payables arising from the purchase of goods and services are recognised at invoice reception for the original amount and corresponding expenses are entered in the accounts when the supplies or services are delivered and accepted by the European Railway Agency.

› **Accrued and deferred income and charges**

Following the accrual accounting principle, transactions and events are recognised in the financial statements in the period to which they relate. At the end of the accounting period, accrued expenses are recognised based on an estimated amount of the transfer obligation of the period. Revenue is also accounted for in the period to which it relates.

3.5.1.3 Statement of financial performance

Revenues and expenses are accounted for in accordance with the accrual accounting basis principle.

› **Revenue**

Non-exchange revenue makes up the vast majority of the ERA's revenue and includes mainly EU subsidy.

Exchange revenue is the revenue from the sale of goods and services. It is recognised when the significant risk and rewards of ownership of the goods are transferred to the purchaser. Revenue associated with a transaction involving the provision of services is recognised by reference to the stage of completion of the transaction at the reporting date.

Interest income consist of received bank interest.

› **Expenses**

According to the principle of accrual-based accounting, the financial statements take account of expenses relating to the reporting period, without taking into consideration the payment date; meaning when the goods or services are used or consumed.

Exchange expenses arising from the purchase of goods and services are recognised when the supplies are delivered and accepted by ERA. They are valued at original invoice cost.

3.5.1.4 *Contingent assets and liabilities*

› **Contingent asset**

A contingent asset is a possible right that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Agency. A contingent asset is disclosed when an inflow of economic benefits or service potential is probable.

› **Contingent liability**

A contingent liability is:

- › A possible obligation, that arises from past events, and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Agency or
- › A present obligation that arises from past events but is not recognized either because it is unlikely that the Agency will use its own resources to settle the obligation or because the value of the obligation cannot be measured with sufficient reliability

A commitment for future funding represents a legal or constructive commitment, usually contractual, that the Agency has entered into and which may require a future outflow of resources.

Guarantees are possible assets or obligations that arise from past events and whose existence will be confirmed by the occurrence or non-occurrence of the object of the guarantee. It can thus be qualified as a contingent asset or liability. A guarantee is settled when the object of the guarantee no longer exists.

3.5.2 Notes to the balance sheet**3.5.2.1 Intangible assets**

| | | <i>Internally generated Computer Software</i> | <i>Computer Software</i> | <i>Others</i> | <i>Intangible assets under construction</i> | <i>Total</i> |
|---|-----|---|--------------------------|---------------|---|-------------------|
| Gross carrying amounts at 01.01.2019 | + | 2 018 314 | 1 070 479 | 0 | 3 460 341 | 6 549 134 |
| Additions | + | 0 | 0 | 0 | 767 894 | 767 894 |
| Disposals | - | 0 | 0 | 0 | 0 | 0 |
| Transfer between headings | +/- | 3 466 908 | 0 | 0 | -3 466 908 | 0 |
| Other changes | +/- | 0 | 0 | 0 | 0 | 0 |
| Gross carrying amounts 31.12.2019 | | 5 485 221 | 1 070 479 | 0 | 761 327 | 7 317 028 |
| Accumulated amortization and impairment 01.01.2019 | - | -1 933 847 | -1 017 025 | 0 | 0 | -2 950 872 |
| Amortization | - | -531 527 | -41 503 | 0 | 0 | -573 030 |
| Write-back of amortization | + | 0 | 0 | 0 | 0 | 0 |
| Disposals | - | 0 | 0 | 0 | 0 | 0 |
| Transfer between headings | +/- | 0 | 0 | 0 | 0 | 0 |
| Other changes | +/- | 0 | 0 | 0 | 0 | 0 |
| Accumulated amortization and impairment 31.12.2019 | | -2 465 374 | -1 058 528 | 0 | 0 | -3 523 902 |
| Net carrying amounts 31.12.2019 | | 3 019 847 | 11 951 | 0 | 761 327 | 3 793 125 |

Below a detailed breakdown of the internally generated computer software and the intangible assets under construction can be found:

Internally generated computer software

| <i>Name of the project</i> | <i>Year of capitalisation</i> | <i>Description</i> | <i>Development cost capitalized (in €)</i> | <i>Useful life</i> |
|----------------------------|-------------------------------|--|--|--------------------|
| RDD | 2012 | Reference Document Database: application to manage the information related to the national technical rules for authorising railway vehicles | 475 517 | 5 years |
| MOSS 2010 | 2012 | Microsoft Office SharePoint: migration of the content management system (from Microsoft Office SharePoint 2007 to Microsoft Office SharePoint 2010) | 432 000 | 3 years |
| ERAIL | 2012 | Application to manage information on safety performance (i.e. Common Safety Indicators and Accident Investigations) | 209 060 | 6 years |
| ERATV | 2013 | European Register of Authorised Types of Vehicles, i.e. EU-wide type-based register including the types of vehicle authorised in the different Member States | 359 507 | 5 years |
| NSA XA | 2013 | National Safety Authority Cross-Audit: web application supporting the audit team members in realizing the NSA cross-audits activities (planning, preparing, interviewing, concluding and remedying) | 119 895 | 5 years |
| RINF | 2015 | Register of the railway infrastructure created to make the railway infrastructure from the EU member states publicly available in a centralized register | 422 334 | 5 years |
| SRM | 2019 | Stakeholder Relationship Management: tool to support the contact management and the event management process | 775 073 | 5 years |
| OSS | 2019 | One-Stop-Shop system: an information and communication system with a virtual One-Stop-Shop functionality that will support the applicants, ERA and the NSA's to accomplish their new tasks related to Single Safety Certificates, Vehicle Authorisations and ERTMS projects. | 2 691 835 | 5 years |
| | | TOTAL | 5 485 221 | |

Intangible assets under construction

| <i>Name of the project</i> | <i>Description</i> | <i>Development cost Capitalized (in €)</i> |
|----------------------------|--|--|
| <i>SRD</i> | Single Rules Database: IT system that will provide a means for MSs to publish and notify both draft and existing National Rules, whether safety or technical and to provide support and transparency for the notification process. | 761 327 |
| TOTAL | | 761 327 |

3.5.2.2 Property, plant and equipment

| | | <i>Buildings</i> | <i>Plant and Equipment</i> | <i>Computer hardware</i> | <i>Furniture and vehicles</i> | <i>Other fixtures and fittings</i> | <i>Total</i> |
|--|-----|------------------|----------------------------|--------------------------|-------------------------------|------------------------------------|-------------------|
| Gross carrying amounts at 01.01.2019 | + | 5 596 | 32 106 | 5 822 416 | 313 565 | 608 068 | 6 781 752 |
| Additions | + | 0 | 598 | 155 669 | 0 | 60 997 | 217 264 |
| Disposals | - | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfer between headings | - | 0 | 0 | 0 | 0 | 0 | 0 |
| Other changes | +/- | 0 | 0 | 0 | 0 | 0 | 0 |
| Gross carrying amounts at 31.12.2019 | | 5 596 | 32 705 | 5 978 085 | 313 565 | 669 065 | 6 999 016 |
| Accumulated amortization and impairment at 01.01.2019 | - | -3 684 | -22 263 | -4 619 184 | -215 738 | -551 423 | -5 412 293 |
| Depreciation | - | -560 | -4 547 | -675 454 | -21 616 | -48 703 | -750 880 |
| Disposals | + | 0 | 0 | 0 | 0 | 0 | 0 |
| Impairment | - | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfer between headings | - | 0 | 0 | 0 | 0 | 0 | 0 |
| Other changes | +/- | 0 | 0 | 0 | 0 | 0 | 0 |
| Accumulated amortization and impairment at 31.12.2019 | | -4 244 | -26 811 | -5 294 638 | -237 354 | -600 126 | -6 163 173 |
| Provision for unused fixed assets | - | 0 | 0 | 0 | 0 | 0 | 0 |
| Net carrying amounts at 31.12.2019 | | 1 352 | 5 894 | 683 447 | 76 211 | 68 939 | 835 843 |

In the course of 2019 the Agency acquired new computer and IT server equipment (154 KEUR), audio-visual equipment (54 KEUR) and mobile phones (9 KEUR).

3.5.2.3 Non-current receivables

The amount of € 31 898 relates to the rental deposit guarantee paid in 2014 for the rent of the conference facilities in Lille.

3.5.2.4 Pre-financing

In the course of December 2019 the Agency paid a pre-financing amount of € 18 824 to the Translation Centre for European Bodies.

3.5.2.5 Exchange receivables & recoverables

| | 31/12/2019 | 31/12/2018 |
|--|-------------------|-------------------|
| Exchange receivables and recoverables | 826 478 | 232 794 |
| Current receivables | 148 274 | 22 000 |
| Sundry receivables | 38 370 | 43 369 |
| Current receivables with consolidated entities | 4 675 | 0 |
| Deffered charges | 264 644 | 152 462 |
| Accrued fee income | 358 059 | 0 |
| Accrued income exchange with consolidated entities | 12 456 | 14 963 |

- › The current receivables amount of € 148 274 are the outstanding receivables from fee-related activities. This amount includes a write-down of € 6 240 for non-collectable receivable amounts from 2 customers.
- › The sundry receivables amount includes undue salary payments to be recovered from staff members.
- › The current receivables with consolidated entities amounting to € 4 675 relate to an outstanding debt to be paid by DG DIGIT (European Commission).
- › The defered charges amounting to € 264 644 relate to the deferral of mainly IT-license costs covering 2020.
- › The accrued fee income of € 358 059 includes the revenue from work already performed on fee-related activities but not yet invoiced.
- › The accrued income exchange with consolidated entities amount of € 12 456 relates to the services rendered to ESMA by ERA's Accounting Officer for the 4th quarter of 2019 to be cashed beginning 2020.

3.5.2.6 Non - exchange receivables & recoverables

| | 31/12/2019 | 31/12/2018 |
|--|-------------------|-------------------|
| Non - exchange receivables and recoverables | 110 041 | 254 900 |
| Current receivables Member States | 110 041 | 254 900 |
| Other receivables | 0 | 0 |

The current receivable gross amount relates to VAT to be recovered from the French (€ 110 041) authorities. ERA pays the invoices from local suppliers and EU suppliers (for the e-deliveries since 01.01.2015) with French VAT and claims the VAT refund from the Host State on a quarterly basis. The decrease as compared to last year is due to the fact that last year the Agency received the reimbursed of the Q3 VAT amount in 2019 whereas no similar reimbursement was done at the end of 2018.

It should be noted that this amount includes € 11 621 of VAT paid for catering services for which the request for reimbursement was rejected by the French VAT authorities. However the Agency is, with the help of the legal service of the European Commission, trying to recover this amount from the French VAT authorities.

3.5.2.7 Cash and cash equivalents

The amount of the cash and cash equivalents includes the balance on the current bank accounts held at ING Belgium.

| <i>Bank account</i> | <i>31/12/2019</i> | <i>31/12/2018</i> | <i>% change</i> |
|------------------------------|-------------------|-------------------|-----------------|
| ING Bank | 2 901 692 | 3 294 603 | -12% |
| ING Bank (fees and charges) | 344 952 | 0 | n/a |
| TOTAL | 3 246 645 | 3 294 603 | -1% |

3.5.2.8 Net assets

The equity of the Agency amounts to € 6 386 044 of which:

- › € 7 524 503 are the accumulated surplus from previous years;
- › € - 1 138 459 is the economic outturn of 2019;

3.5.2.9 Provisions

No short term provision for outstanding salary payments has been made in 2019 since the yearly salary adjustment was paid out in December 2019.

3.5.2.10 Accounts Payable

The main part of the total accounts payable as per 31.12.2019 relates to:

- › Current payables for a total amount of € 8 929
- › Sundry payables for a total amount of € 2 071
- › Accounts payable with consolidated entities for a total amount of € 790 326 representing the budget outturn of 2019 to be reimbursed to the Commission (€ 59 486), the unconsumed part (€ 5 608) of the pre-financing amount received in December 2017 for the IPA-agreement covering the period 2018-2019 for € 200 000, the unconsumed part (€ 275 232) of the EUMEDRAIL pre-financing amount received in 2017 and 2019 and a new pre-financing received for € 450 000 for the IPA-agreement covering the period 2020-2021.

3.5.2.11 Accrued charges and deferred income

Accrued charges for a total amount of € 1 675 484 can be decomposed in an accrual for untaken holidays amounting to € 506 011 and accrued charges for goods delivered/services rendered but not yet invoiced for a total amount of € 1 169 473.

The table below shows the level of accrued expenses for 2019 and 2018 and its evolution in general and per type of appropriation.

| <i>Accrued expenses</i> | <i>31/12/2019</i> | <i>31/12/2018</i> | <i>% change</i> |
|---|-------------------|-------------------|-----------------|
| Accrued expenses | 1 675 484 | 1 316 442 | 27% |
| Accrued expenses based on carry-over analysis | 1 071 977 | 942 137 | 14% |
| Accrued costs F&C | 97 495 | 0 | n/a |
| Accrual for untaken holidays | 506 011 | 374 305 | 35% |

| <i>Accrued expenses based on carry-over analysis</i> | <i>31/12/2019</i> | <i>31/12/2018</i> | <i>% change</i> |
|--|-------------------|-------------------|-----------------|
| Title 1 – Staff | 19 255 | 69 951 | -72% |
| Title 2 – Buildings, equipment and miscellaneous expenditure | 102 767 | 96 013 | 7% |
| Title 3 – Operational expenditure | 949 955 | 776 173 | 22% |
| Total | 1 071 977 | 942 137 | 14% |

Globally there is an increase in the total amount of accrued expenses as compared to 2018. This increase is mainly in title 3 and can be explained by the accrued expenses for services delivered in 2019 for the OSS-project and registers maintenance for which invoices had not yet been received at the end of 2019.

| <i>Accrual for untaken holidays</i> | <i>31/12/2019</i> | <i>31/12/2018</i> | <i>% change</i> |
|-------------------------------------|-------------------|-------------------|-----------------|
| Number of days not taken | 1 593 | 1 279 | 25% |
| Accrued amount | 506 011 | 374 305 | 35% |

The table above shows that the increase of the accrued amount for untaken holidays is due to the increase in the number of days and the slight increase in the number of staff (139 at the end of 2019 as compared to 132 at the end of 2018).

3.5.3 Notes to the statement of financial performance

3.5.3.1 Operating revenue

The operating revenue of the Agency in 2019 is mainly made up of subsidies received for a total amount of € 27 669 347 including the budget outturn of € 80 722 to be reimbursed in 2020. In addition the Agency has started collecting revenue from its fee-related activities. The impact of the latter on the total revenue of the Agency was relatively low in 2019 since the Agency only started these activities as from 16th of June and only a small number of member states (8) had transposed the legislation of the 4th Railway Package into their national legislation. Therefore it is expected that the share of revenue from fees in the total revenue for the Agency will increase in 2020.

| | <i>with non-consolidated entities</i> | <i>with consolidated entities</i> | <i>Total</i> |
|--|---------------------------------------|-----------------------------------|-------------------|
| Revenue from non-exchange transactions | 0 | 28 087 491 | 28 087 491 |
| Revenue from exchange transactions | 957 918 | 42 953 | 1 000 872 |
| TOTAL | 957 918 | 28 130 445 | 29 088 363 |

3.5.3.2 Administrative expenses

These include staff expenses, costs relating to intangible assets and property, plant and equipment (mainly depreciation) and other expenses.

| | <i>31/12/2019</i> | <i>31/12/2018</i> | <i>% change</i> |
|--|-------------------|-------------------|-----------------|
| Administrative expenses | 25 694 529 | 23 813 060 | 8% |
| Staff expenses | 20 003 919 | 18 152 968 | 10% |
| Property, plant and equipment related expenses | 2 519 672 | 2 429 345 | 4% |
| - Fixed assets related expenses (depreciation) | 1 323 911 | 1 081 433 | 22% |
| - Land and buildings | 1 195 762 | 1 347 912 | -11% |
| Other administrative expenses | 3 170 937 | 3 230 747 | -2% |
| - Other administrative expenses | 1 418 159 | 1 325 201 | 7% |
| - Expenses with consolidated entities | 1 752 778 | 1 905 545 | -8% |

As compared to 2018 the total amount of administrative expenses has increased. This increase is mainly due to an increase in staff expenses which can mainly be explained by an increase in staff (+ 5%) and the salary indexation of 2,7% for 2019. The other administrative expenses have remained stable as compared to last year.

3.5.3.3 Operational expenses

These include expenses related to the operational activities of the Agency. They show a decrease of 13% as compared to last year.

| | 31/12/2019 | 31/12/2018 | % change |
|--|-------------------|-------------------|-----------------|
| Operational expenses | 4 529 981 | 5 245 542 | -14% |
| Missions/reimbursements of experts | 1 251 555 | 2 045 653 | -39% |
| Studies | 199 995 | 517 771 | -61% |
| IT-systems to support operations | 2 548 141 | 1 931 330 | 32% |
| Information & communication | 354 153 | 337 775 | 5% |
| Other | 97 846 | 273 763 | -64% |
| Losses on realisation of trade debtors | 6 240 | 0 | n/a |
| Quality Management | 72 050 | 139 250 | -48% |

The decrease of 13% is a combination of:

- › A decrease of 39% in cost for missions and reimbursements of experts. This reduction is a consequence of the budget restrictions and the temporary decision of the Management Board not to reimburse the costs of the experts attending the ERA working parties. This decision has been prolonged in 2020.
- › A decrease of 61% of the expenses related to studies since due the budgetary restrictions the number of studies conducted in 2019 was significantly reduced.
- › An increase of 32% in the IT-expenses to support the operations. This increase is mainly explained by the fact that in comparison to 2018 more IT-development costs were expensed whereas in 2018 they were still capitalized (mainly for OSS).
- › A decrease of 64% in other costs which can be explained by the fact that in 2018 an expense of 120 KEUR was made for a prosecutor expert course.
- › A decrease of 48% in the costs for quality management resulting from the fact that in 2019 less use was made of external quality consultants.

3.5.4 Other information

3.5.4.1 Contingent Assets and Contingent Liabilities

At the moment of drawing up the financial statements there was no information available that could lead to any contingent asset or liability for the Agency.

3.5.4.2 Commitments for future funding

At 31 December 2019 the budgetary RAL totalled € 2 479 176¹. The amount to be disclosed as a future commitment to be funded is this budgetary RAL less related amounts that have been included as accrued expenses in the 2019 statement of financial performance giving a total of € 1 407 199.

¹ Only C1-credits and RO-credits for IPA and EUMEDRAIL are considered here. RAL related to fee activities (title 4) has been excluded.

3.5.4.3 Related Party disclosure

Key management personnel hold position of responsibility within the Agency. He is responsible for the strategic direction and operational management of the entity and is entrusted with significant authority to execute his mandate.

| <i>Highest grade description</i> | <i>Grade</i> | <i>Number of persons of this grade</i> |
|----------------------------------|--------------|--|
| Executive Director | AD14 | 1 |

3.5.4.4 Events after the balance sheet date

During the first half of 2020, the coronavirus outbreak has had huge impacts on the EU economy. As a non-adjusting event, the outbreak of the coronavirus does not require any adjustments to the figures reported in these annual accounts. For subsequent reporting periods, COVID-19 may affect the recognition and measurement of some assets and liabilities on the balance sheet and also of some revenue and expenses recognised in the statement of financial performance. Following an internal analysis the following elements of the financial statements have been identified as being potentially affected:

› **Revenues**

While for the balancing subsidies for 2020 and beyond there might be no foreseeable effect until the accounts are signed, it is foreseeable that the estimated fee revenue for 2020 might be impacted due to a lower demand by applicants for services to be provided and due to a delay in the transposition of the 4th Railway Package legislation into the national legislation by the member states not having done so. Based on the information available at the date of signature of these annual accounts, the related financial effects cannot be reliably estimated.

› **Expenses**

It is most likely that the Agency will see a decrease in the administrative and operational expenses for 2020 due to a lower implementation rate of the budget. Based on the information available at the date of signature of these annual accounts, the related financial effects cannot be reliably estimated.

› **Balance sheet**

At this stage the Agency does not foresee any material impact on any of the balance sheet items.

› **Budgetary aspects**

It is foreseeable that the Agency will have a lower implementation rate of the budget and therefore end up most probably with a higher amount of carry-overs at year-end. Based on the information available at the date of signature of these annual accounts, the related financial effects cannot be reliably estimated.

3.5.4.5 Financial instruments

Financial instruments comprise cash and cash equivalents, current receivables and recoverables (deferred charges not included), current account payables and pre-financing with consolidated entities. Financial instruments give rise to liquidity, credit, interest rate and foreign currency risks.

The carrying amounts of financial instruments are as follows:

| | 31/12/2019 | 31/12/2018 |
|---|-------------------|-------------------|
| Current pre-financing implemented by Cons Entities with other Cons Entities | 18 824 | 492 422 |
| Exchange receivables and recoverables | 561 834 | 79 268 |
| Non - exchange receivables and recoverables | 110 041 | 254 900 |
| Cash and cash equivalents | 3 246 645 | 3 294 240 |
| Total monetary assets | 3 937 344 | 4 120 829 |
| Accounts payable | 801 326 | 433 029 |
| Total monetary liabilities | 801 326 | 433 029 |
| Total net financial instruments | 3 136 018 | 3 687 800 |

3.5.4.6 Liquidity risk

Liquidity risk is the risk that arises from the difficulty of selling an asset; for example, the risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss or meet an obligation.

Liquidity risk arises from the ongoing financial obligations, including settlement of payables.

ERA manages liquidity risk by continually monitoring forecast and actual cash flows.

Bank accounts opened in the name of ERA may not be overdrawn.

Treasury and payment operations are highly automated and rely on modern information systems. Specific procedures are applied to guarantee system security and to ensure segregation of duties in line with the Financial Regulation, the internal control standards, and audit principles.

EU budget principles ensure that overall cash resources for a given year are always sufficient for the execution of all payments.

3.5.4.7 Credit risk

Credit risk is the risk of loss due to a debtor's/borrower's non-payment of a loan or other line of credit (either the principal or interest or both) or other failure to meet a contractual obligation. The default events include a delay in repayments, restructuring of borrower repayments and bankruptcy. Mitigation measures on receivables – monitoring, reminders, etc.

Treasury resources are kept with commercial banks. The EU contribution is requested 3 times a year based on cash forecasts. In addition, specific guidelines are applied for the selection of commercial banks in order to further minimise counterparty risk to which ERA is exposed:

- › All commercial banks are selected by call for tenders. The minimum short term credit rating required for admission to the tendering procedures is Moody's P-1 or equivalent (S&P A-1 or Fitch F1). A lower level may be accepted in specific and duly justified circumstances.
- › The credit ratings of the commercial banks where ERA has accounts are reviewed at least on a monthly basis, or higher frequency if and when needed.

3.5.4.8 Interest rate risk

Interest rate risk is the possibility of a reduction in the value of a security, especially a bond, resulting from an increase in interest rates. In general, higher interest rates will lead to lower prices of fixed rate bonds, and vice versa.

Interest rate risk at ERA arises from cash. It is recognised that interest rates fluctuate and ERA accepts the risk and does not consider it to be material.

ERA's treasury does not borrow any money; as a consequence it is not exposed to interest rate risk. It does, however, earn interest on balances it holds on its banks accounts. ERA has therefore put in place measures to ensure that interest earned on its bank accounts regularly reflects market interest rates, as well as their possible fluctuation.

Overnight balances held on commercial bank accounts earn interest on a daily basis. This is based on variable market rates to which a contractual margin (positive or negative) is applied. For most of the accounts, the interest calculation is linked to the EONIA (Euro over night index average) or EURIBOR (Euro InterBank Offer Rate) and is adjusted to reflect any fluctuations of this rate. In case the resulting interest rate to be applied is less than 0, then a fixed rate is applied for a certain period of time. As a result no risk exists that ERA earns interest at rates lower than market rates.

3.5.4.9 Foreign currency risk

Currency risk is the risk that the EU's operations or its investments' value will be affected by changes in exchange rates. This risk arises from the change in price of one currency against another.

Most financial assets and liabilities are in EUR, so in these cases ERA has no foreign currency risk.

ERA has little exposure to exchange rate fluctuations since it undertakes almost all its certain transactions in EUR.

The EU agency's revenue and expenditure is primarily in EUR.

It is recognised that exchange rates fluctuate and ERA accepts this risk and does not consider it to be material.

3.5.4.10 Fair value

The estimated fair values of all financial instruments of ERA are equal/approximate to their book values as at 31 Dec 2019 and 31 Dec 2018. All financial assets and liabilities are receivable or repayable on demand or within one year.

4. Part II – Report on the implementation of the budget of the European Union Agency for Railways

4.1 *Budgetary structure and principles*

The budgetary accounts are kept in accordance with the Financial Regulation and its rules of application. The budget is the instrument which, for each financial year, forecasts and authorises the revenue and expenditure considered necessary for the implementation of ERA's Decision.

Every year, ERA estimates its revenue and expenditure for the year and draws up a draft budget which it sends to the Commission. The Commission then sends it to the budgetary authority. On the basis of this draft budget, the Council draws its position which is then the subject of negotiations between the two arms of the budgetary authority. The President of the Parliament declares that the joint draft has been finally adopted, thus making the budget enforceable. The task of executing the budget is the responsibility of ERA.

The budget structure for ERA consists of administrative and operational appropriations and has only non-differentiated appropriations, meaning that the commitment and the payment appropriations are of the same amount. Non-differentiated appropriations are used to finance operations of an annual nature (which comply with the principle of annuality).

Origin of Appropriations

The main source of appropriations is ERA's budget for the current year. However, there are other types of appropriations resulting from the provisions of the Financial Regulation. They come from previous financial years or outside sources:

- › **Initial budget appropriations** adopted for the current year can be supplemented with transfers between lines and by amending budgets.
- › **Appropriations carried over** from previous year or made available again also supplement the current budget. These are:
 - › non-differentiated payment appropriations which may be carried over automatically for one financial year only;
 - › appropriations carried over by decision of ERA in one of two cases: if the preparatory stages have been completed or if the legal base is adopted late.
- › **Assigned revenue** which is made up of:
 - › internal assigned revenue such as refunds where the amounts are assigned revenue on the budget line which incurred the initial expenditure and may be carried over for one year only;
 - › external assigned revenue.

Composition of Appropriations Available

- › Initial budget = appropriations voted in year N-1;
- › Final budget appropriations = initial budget appropriations adopted + amending budget appropriations + transfers + additional appropriations;
- › Additional appropriations = assigned revenue (see above) + appropriations carried over from the previous financial year.

Calculation of the Budget Result

The revenue entered in the accounts is the amount actually received during the course of the year. For the purposes of calculating the budget result for the year, expenditure comprises payments made against the year's appropriations plus any of the appropriations for that year that are carried over to the following year. Payments made against the year's appropriations means payments that are made by the accounting officer by 31 December of the financial year.

The following are added to or deducted from the resulting figure:

- › the net balance of cancellations of payment appropriations carried over from previous years and any payments which, because of fluctuations in the euro rate, exceed non-differentiated appropriations carried over from the previous year; and
- › the balance of exchange-rate gains and losses recorded during the year.

Payment appropriations carried over include: automatic carryovers and carryovers by decision. The cancellation of unused payment appropriations carried over from the previous year shows the cancellations on appropriations carried over automatically and by decision. It also includes the decrease in assigned revenue appropriations carried over to the next year.

Budgetary principles

The budget of ERA has been established in compliance with the principles of unity, budget accuracy, annuality, equilibrium, unit of account, universality, specification, sound financial management and transparency as set out in the Financial Regulation of ERA.

4.2 Budget implementation 2019

| <i>Fund Source : C1</i> | | | | | | | |
|-------------------------|--|---------------------------------|----------------------|--------------------------------|--|-----------------------|---------------------------|
| | <i>Chapter</i> | <i>Final appropriations (1)</i> | <i>Committed (2)</i> | <i>% Committed = (2) / (1)</i> | <i>Balance not committed = (1) - (2)</i> | <i>Total Paid (3)</i> | <i>% Paid = (3) / (1)</i> |
| 11 | Staff in active employment | 19 999 176 | 19 999 176 | 100% | 0 | 19 969 543 | 100% |
| 13 | Missions and travel | 67 000 | 67 000 | 100% | 0 | 60 051 | 90% |
| 14 | Socio-medical infrastructure | 193 139 | 193 139 | 100% | 0 | 173 077 | 90% |
| 15 | Staff exchange between the ERA and the public sector | 33 343 | 33 343 | 100% | 0 | 33 343 | 100% |
| 17 | Entertainment and representation exp. | 1 670 | 1 670 | 100% | 0 | 1 670 | 100% |
| | Title I | 20 294 328 | 20 294 328 | 100% | 0 | 20 237 683 | 100% |
| 20 | Investments in immovable property, rental of buildings and associated cost | 1 217 351 | 1 216 857 | 100% | 494 | 1 037 951 | 85% |
| 21 | Data processing | 603 234 | 603 234 | 100% | 0 | 585 385 | 97% |
| 22 | Movable property and associated costs | 61 604 | 61 604 | 100% | 0 | 46 348 | 75% |
| 23 | Current administrative expenditure | 61 763 | 57 732 | 93% | 4 031 | 45 606 | 74% |
| 24 | Post and telecommunications | 146 249 | 146 249 | 100% | 0 | 110 085 | 75% |
| | Title II | 2 090 201 | 2 085 676 | 100% | 4 525 | 1 825 376 | 87% |
| 30 | Operational Activities directly linked to the Reg. n°881/2004 | 3 619 202 | 3 617 667 | 100% | 1 535 | 2 235 597 | 62% |
| 31 | Operational expenditures | 1 665 616 | 1 665 616 | 100% | 0 | 1 218 411 | 73% |
| | Title III | 5 284 818 | 5 283 283 | 100% | 1 535 | 3 454 008 | 65% |
| | Total Budget | 27 669 347 | 27 663 287 | 100% | 6 060 | 25 517 067 | 92% |

| <i>Fund Source : C4</i> | | | | | | | |
|-------------------------|---|---------------------------------|----------------------|--------------------------------|--|-----------------------|-------------------------|
| | <i>Chapter</i> | <i>Final appropriations (1)</i> | <i>Committed (2)</i> | <i>% Committed = (2) / (1)</i> | <i>Balance not committed = (1) - (2)</i> | <i>Total Paid (3)</i> | <i>% Paid = (3)/(1)</i> |
| 11 | Staff in active employment | 47 998 | 47 998 | 100% | 0 | 47 998 | 100% |
| | Title I | 47 998 | 47 998 | 100% | 0 | 47 998 | 100% |
| 21 | Data processing | 23 487 | 900 | 4% | 22 587 | 814 | 3% |
| 22 | Movable property and associated costs | 15 180 | 0 | 0% | 15 180 | 0 | 0% |
| | Title II | 38 667 | 900 | 2% | 37 767 | 814 | 2% |
| 30 | Operational Activities directly linked to the Reg. n°881/2004 | 73 875 | 0 | 0% | 73 875 | 0 | 0% |
| | Title III | 73 875 | 0 | 0% | 73 875 | 0 | 0% |
| | Total Budget | 160 540 | 48 898 | 30% | 111 642 | 48 812 | 30% |

| <i>Fund Source : C5</i> | | | | | | | |
|-------------------------|---------------------|---------------------------------|----------------------|--------------------------------|--|-----------------------|-------------------------|
| | <i>Chapter</i> | <i>Final appropriations (1)</i> | <i>Committed (2)</i> | <i>% Committed = (2) / (1)</i> | <i>Balance not committed = (1) - (2)</i> | <i>Total Paid (3)</i> | <i>% Paid = (3)/(1)</i> |
| 13 | Missions and travel | 2 140 | 2 140 | 100% | 0 | 2 140 | 100% |
| | Title I | 2 140 | 2 140 | 100% | 0 | 2 140 | 100% |
| | Total Budget | 2 140 | 2 140 | 100% | 0 | 2 140 | 100% |

| <i>Fund Source : R0</i> | | | | | | | |
|-------------------------|---------------------|---------------------------------|----------------------|-----------------------------------|---|---------------------------|----------------------------|
| | <i>Chapter</i> | <i>Final appropriations (1)</i> | <i>Committed (2)</i> | <i>% Committed =(2) / (1)</i> | <i>Balance not committed =(1) - (2)</i> | <i>Total Paid (3)</i> | <i>% Paid =(3)/(1)</i> |
| 30 | IPA ACTIVITIES | 112 865 | 110 366 | 98% | 2 499 | 91 733 | 81% |
| 30 | EUMEDRAIL | 689 156 | 689 156 | 100% | 0 | 377 331 | 55% |
| | Title III | 802 021 | 799 522 | 100% | 2 499 | 469 065 | 58% |
| | Total Budget | 802 021 | 799 522 | 100% | 2 499 | 469 065 | 58% |

| <i>Fund Source : R0 Fees and charges</i> | | | | | | | |
|--|------------------------------------|---|--------------------------|-----------------------------------|---|---------------------------|----------------------------|
| <i>BL</i> | <i>Description</i> | <i>Final appropriations (1)</i> | <i>Committed (2)</i> | <i>% Committed =(2) / (1)</i> | <i>Balance not committed =(1) - (2)</i> | <i>Total Paid (3)</i> | <i>% Paid =(3)/(1)</i> |
| 400 | B400 - Single Safety Certificate | 393 265 | 393 265 | 100% | 0 | 288 | 0% |
| 401 | B401 - Vehicle Authorisation | 869 048 | 691 453 | 80% | 177 595 | 3 937 | 0% |
| 402 | B402 - ERTMS trackside approval | 530 719 | 530 719 | 100% | 0 | 0 | 0% |
| | CHAPTER 40 - 4RP ACTIVITIES | 1 793 032 | 1 615 437 | 90% | 177 595 | 4 226 | 0% |
| | Title IV | 1 793 032 | 1 615 437 | 90% | 177 595 | 4 226 | 0% |
| | Total Budget | 1 793 032 | 1 615 437 | 90% | 177 595 | 4 226 | 0% |

4.3 Budget implementation – Appropriations carried over 2018/2019

| <i>Fund Source : C8</i> | | | | | |
|-------------------------|--|--------------------------------------|----------------------|---|---------------------|
| | <i>Chapter</i> | <i>Amount carried over 2018/2019</i> | <i>Payments made</i> | <i>Balance not paid at the end of the year 2019</i> | <i>% of Balance</i> |
| 11 | Staff in active employment | 43 650 | 43 642 | 8 | 0% |
| 13 | Missions and travel | 5 288 | 5 288 | 0 | 0% |
| 14 | Socio-medical infrastructure | 95 208 | 89 519 | 5 688 | 6% |
| 17 | Entertainment and representation exp. | 406 | 406 | 0 | 0% |
| | Title I | 144 552 | 138 855 | 5 697 | 4% |
| 20 | Investments in immovable property, rental of buildings and associated cost | 154 082 | 152 523 | 1 559 | 1% |
| 21 | Data processing | 262 664 | 262 300 | 364 | 0% |
| 22 | Movable property and associated costs | 30 682 | 30 682 | 0 | 0% |
| 23 | Current administrative expenditure | 14 534 | 13 882 | 652 | 4% |
| 24 | Post and telecommunications | 16 399 | 15 681 | 718 | 4% |
| | Title II | 478 361 | 475 069 | 3 292 | 1% |
| 30 | Operational Activities directly linked to the Regulation n°881/2004 | 1 764 928 | 1 720 653 | 44 275 | 3% |
| 31 | Operational expenditures | 786 389 | 785 374 | 1 016 | 0% |
| | Title III | 2 551 317 | 2 506 026 | 45 291 | 2% |
| | Grandtotal | 3 174 230 | 3 119 950 | 54 280 | 2% |

4.4 2019 Budget transfers/Amendments

| <i>Fund Source : C1</i> | | | | | | | |
|-------------------------|--|-----------------------|------------------|-------------------|--|----------------------|--------------------------------|
| | <i>Chapter</i> | <i>Budget adopted</i> | <i>Transfers</i> | <i>Amendments</i> | <i>Budget after transfers and amendments (1)</i> | <i>Committed (2)</i> | <i>% Committed = (2) / (1)</i> |
| 11 | Staff in active employment | 18 444 000 | 1 025 176 | 530 000 | 19 999 176 | 19 999 176 | 100% |
| 13 | Missions and travel | 140 000 | -73 000 | 0 | 67 000 | 67 000 | 100% |
| 14 | Socio-medical infrastructure | 225 047 | -31 908 | 0 | 193 139 | 193 139 | 100% |
| 15 | Staff exchange between the ERA and the public sector | 200 000 | -166 657 | 0 | 33 343 | 33 343 | 100% |
| 17 | Entertainment and representation expenses | 5 000 | -3 330 | 0 | 1 670 | 1 670 | 100% |
| | Title I | 19 014 047 | 750 281 | 530 000 | 20 294 328 | 20 294 328 | 100% |
| 20 | Investments in immovable property, rental of buildings and associated cost | 1 320 000 | -102 649 | 0 | 1 217 351 | 1 216 857 | 100% |
| 21 | Data processing | 700 000 | -96 766 | 0 | 603 234 | 603 234 | 100% |
| 22 | Movable property and associated costs | 190 000 | -128 396 | 0 | 61 604 | 61 604 | 100% |
| 23 | Current administrative expenditure | 115 000 | -53 237 | 0 | 61 763 | 57 732 | 93% |
| 24 | Post and telecommunications | 185 000 | -38 751 | 0 | 146 249 | 146 249 | 100% |
| | Title II | 2 510 000 | -419 799 | 0 | 2 090 201 | 2 085 676 | 100% |
| 30 | Operational Activities directly linked to the Regulation n°881/2004 | 4 290 000 | -670 798 | 0 | 3 619 202 | 3 617 667 | 100% |
| 31 | Operational expenditures | 1 325 300 | 340 316 | 0 | 1 665 616 | 1 665 616 | 100% |
| | Title III | 5 615 300 | -330 482 | 0 | 5 284 818 | 5 283 283 | 100% |
| | Total Budget | 27 139 347 | 0 | 530 000 | 27 669 347 | 27 663 287 | 100% |

4.5 Appropriations carried over 2019/2020 C1-credits

| | <i>Chapter</i> | <i>Amount carried over 2019/2020</i> | <i>% Amount carried over 2019/2020</i> |
|----|--|--------------------------------------|--|
| 11 | Staff in active employment | 29 634 | 0% |
| 13 | Missions and travel | 6 949 | 10% |
| 14 | Socio-medical infrastructure | 20 062 | 10% |
| | Title I | 56 645 | 0% |
| 20 | Investments in immovable property, rental of buildings and associated cost | 178 906 | 15% |
| 21 | Data processing | 17 849 | 3% |
| 22 | Movable property and associated costs | 15 256 | 25% |
| 23 | Current administrative expenditure | 12 126 | 20% |
| 24 | Post and telecommunications | 36 164 | 25% |
| | Title II | 260 300 | 12% |
| 30 | Operational Activities directly linked to the Regulation n°881/2004 | 1 382 070 | 38% |
| 31 | Operational expenditures | 447 205 | 27% |
| | Title III | 1 829 275 | 35% |
| | Total Budget | 2 146 220 | 8% |

4.6 Budget outturn

| | 2019 | 2018 |
|---|-------------------|-------------------|
| Revenue | | |
| Commission subsidy DG MOVE | 27 669 347 | 28 793 243 |
| IPA and EUMEDRAIL funds from Commission | 468 803 | 0 |
| Fee income | 345 280 | 0 |
| Other income | 160 797 | 57 169 |
| Total revenue (a) | 28 644 227 | 28 850 412 |
| Expenditure | | |
| Personnel expenses – Budget Title I | | |
| Payments | 20 287 822 | 18 722 601 |
| Appropriations carried over to the following year | 56 645 | 146 692 |
| Administrative expenses – Budget Title II | | |
| Payments | 1 826 190 | 2 219 079 |
| Appropriations carried over to the following year | 298 153 | 478 361 |
| Operational expenses – Budget Title III | | |
| Payments | 3 923 073 | 5 444 434 |
| Appropriations carried over to the following year | 2 236 106 | 2 884 535 |
| Operational expenses – Budget Title IV | | |
| Payments | 4 226 | 0 |
| Appropriations carried over to the following year | 341 054 | 0 |
| Total expenditure (b) | 28 973 268 | 29 895 702 |
| Outturn for the financial year (a-b) | -329 042 | -1 045 290 |
| Cancellation of unused carry-overs | 54 280 | 122 715 |
| Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue | 335 358 | 1 045 234 |
| Exchange differences for the year | -1 110 | -2 780 |
| Balance carried over from year N-1 | 157 170 | 80 722 |
| Positive balance from year N-1 reimbursed in year N to the Commission | -157 170 | -80 722 |
| Balance of the outturn account for the financial year | 59 486 | 119 879 |

2019 Budget outturn

| | <i>Subsidy</i> | <i>F&C</i> | <i>IPA & EUMEDRAIL</i> |
|---|-------------------|----------------|--------------------------------|
| Revenue | | | |
| Commission subsidy DG MOVE | 27 669 347 | 0 | 0 |
| IPA and EUMEDRAIL funds from Commission | 0 | 0 | 468 803 |
| Fee income | 0 | 345 280 | 0 |
| Other income | 160 797 | 0 | 0 |
| Total revenue (a) | 27 830 144 | 345 280 | 468 803 |
| Expenditure | | | |
| Personnel expenses – Budget Title I | | | |
| Payments | 20 287 822 | 0 | |
| Appropriations carried over to the following year | 56 645 | 0 | |
| Administrative expenses – Budget Title II | | | |
| Payments | 1 826 190 | 0 | |
| Appropriations carried over to the following year | 298 153 | 0 | |
| Operational expenses – Budget Title III | | | |
| Payments | 3 454 008 | 0 | 469 065 |
| Appropriations carried over to the following year | 1 903 150 | 0 | 332 956 |
| Operational expenses – Budget Title IV | | | |
| Payments | 0 | 4 226 | |
| Appropriations carried over to the following year | 0 | 341 054 | |
| Total expenditure (b) | 27 825 968 | 345 280 | 802 021 |
| Outturn for the financial year (a-b) | 4 176 | 0 | -333 218 |
| Cancellation of unused carry-overs | 54 280 | 0 | |
| Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue | 2 140 | 0 | 333 218 |
| Exchange differences for the year | -1 110 | 0 | |
| Balance carried over from year N-1 | 157 170 | 0 | |
| Positive balance from year N-1 reimbursed in year N to the Commission | -157 170 | 0 | |
| Balance of the outturn account for the financial year | 59 486 | 0 | 0 |

4.7 Reconciliation economic outturn – budget outturn 2019

| | 2019 | 2018 |
|---|-------------------|----------------|
| Economic result (+ for surplus and - for deficit) of the consolidation reporting package | -1 138 459 | 359 537 |
| Ajustment for accrual items (items not in the budgetary result but included in the economic result) | | |
| Adjustments for Accrual Cut-off (reversal 31.12.N-1) | -1 319 150 | -1 320 835 |
| Adjustments for Accrual Cut-off (cut- off 31.12.N) | 1 689 888 | 1 319 150 |
| Amount from liaison account with Commission booked in the economic revenue | 0 | 0 |
| Unpaid invoices at year end but booked in charges (class 6) | 2 536 | 16 515 |
| Depreciation of intangible and tangible assets (1) | 1 323 911 | 1 081 754 |
| Provisions (1) | 0 | 0 |
| Value reductions (1) | 6 240 | 0 |
| Recovery Orders issued in 2019 in class 7 and not yet cashed | -161 269 | -15 220 |
| Prefinancing given in previous year and cleared in the year | 0 | 0 |
| Prefinancing received in previous year and cleared in the year | -284 060 | -693 699 |
| Payments made from carry over of payment appropriations | 3 119 950 | 3 780 473 |
| Other *) | -9 596 | -171 282 |
| Ajustment for budgetary items (item included in the budgetary result but not in the economic result) | | |
| Asset acquisitions (less unpaid amounts) | -985 158 | -2 032 937 |
| New pre-financing paid in the year 2019 and remaining open as at 31.12.2019 | 0 | 0 |
| New pre-financing received in the year 2019 and remaining open as at 31.12.2019 | 334 718 | 119 879 |
| Budgetary recovery orders issued before 2019 and cashed in the year | 22 257 | 18 183 |
| Budgetary recovery orders issued in 2018 on balance sheet accounts (not 7 or 6 accounts) and cashed | 0 | 0 |
| Capital payments on financial leasing (they are budgetary payments but not in the economic result) | 0 | 0 |
| Payment appropriations carried over to 2020 | -2 931 959 | -3 509 588 |
| Cancellation of unused carried over payment appropriations from previous year | 54 280 | 122 715 |
| Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue | 335 358 | 1 045 234 |
| Payments for pensions (they are budgetary payments but booked against provisions) | 0 | 0 |
| Paieiments for stocks of leave and supplementary hours (they are budgetary payments but booked against provisions) | 0 | 0 |
| Other **) | 0 | 0 |
| Budget outturn for the year | 59 486 | 119 879 |

4.8 Annex to the Budget Accounts**4.8.1 Establishment plan 2019**

| <i>Function group and grade</i> | 2019 | | | |
|---------------------------------|---------------------------------------|------------------------|--------------------------------|------------------------|
| | <i>Authorised under the EU Budget</i> | | <i>Filled as at 31/12/2019</i> | |
| | <i>Permanent posts</i> | <i>Temporary Posts</i> | <i>Permanent posts</i> | <i>Temporary Posts</i> |
| AD16 | | | | |
| AD15 | | | | |
| AD14 | | 1 | | 1 |
| AD13 | | | | |
| AD12 | | 4 | | 1 |
| AD11 | | 7 | | 2 |
| AD10 | | 19 | | 15 |
| AD9 | | 32 | | 23 |
| AD8 | | 21 | | 18 |
| AD7 | | 15 | | 21 |
| AD6 | | 14 | | 23 |
| AD5 | | | | |
| Total AD | | 113 | | 104 |
| AST11 | | | | |
| AST10 | | | | |
| AST9 | | 2 | | 1 |
| AST8 | | 5 | | 1 |
| AST7 | | 5 | | 4 |
| AST6 | | 2 | | 4 |
| AST5 | | 8 | | 9 |
| AST4 | | 9 | | 3 |
| AST3 | | 4 | | 13 |
| AST2 | | | | |
| AST1 | | | | |
| Total AST | | 35 | | 35 |
| GRAND TOTAL | | 148 | | 139 |